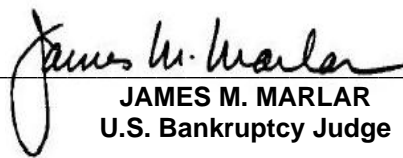


SIGNED.



Dated: June 12, 2008

  
JAMES M. MARLAR  
U.S. Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA

In re: ) Chapter 11  
FIRST MAGNUS FINANCIAL ) No. 4:07-bk-01578-JMM  
CORPORATION, )  
 ) **MEMORANDUM DECISION RE:**  
 ) **ADMINISTRATIVE CLAIM OF**  
Debtor. ) **DOCUSAFE OF PHOENIX, INC.**

This court has been asked to approve a settlement (Dkt. #2302), relative to an administrative expense issue, in a disputed matter involving the Debtor and Docusafe of Phoenix, Inc.

This issue has evolved over several different days of hearings before the court. The court requested, and Docusafe provided, additional information to supplement the proposed settlement. The court has now reviewed all of the various pleadings and exhibits concerning this issue, including the affidavit of Richard E. Dohm.

In this Circuit, settlement of disputed issues is encouraged, if the parties believe, in good faith, in the fairness of the settlement, and if the settlement appears to resolve matters amicably that might otherwise prove too costly and unpredictable in litigation. *See In re Woodson*, 839 F.2d 610, 620 (9th Cir. 1988) (setting out factors for approval of a proposed compromise);<sup>1</sup> *see also*

<sup>1</sup> Factors for the court to consider include "(a) The probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; (d) the paramount interest of the creditors and a proper deference to their reasonable

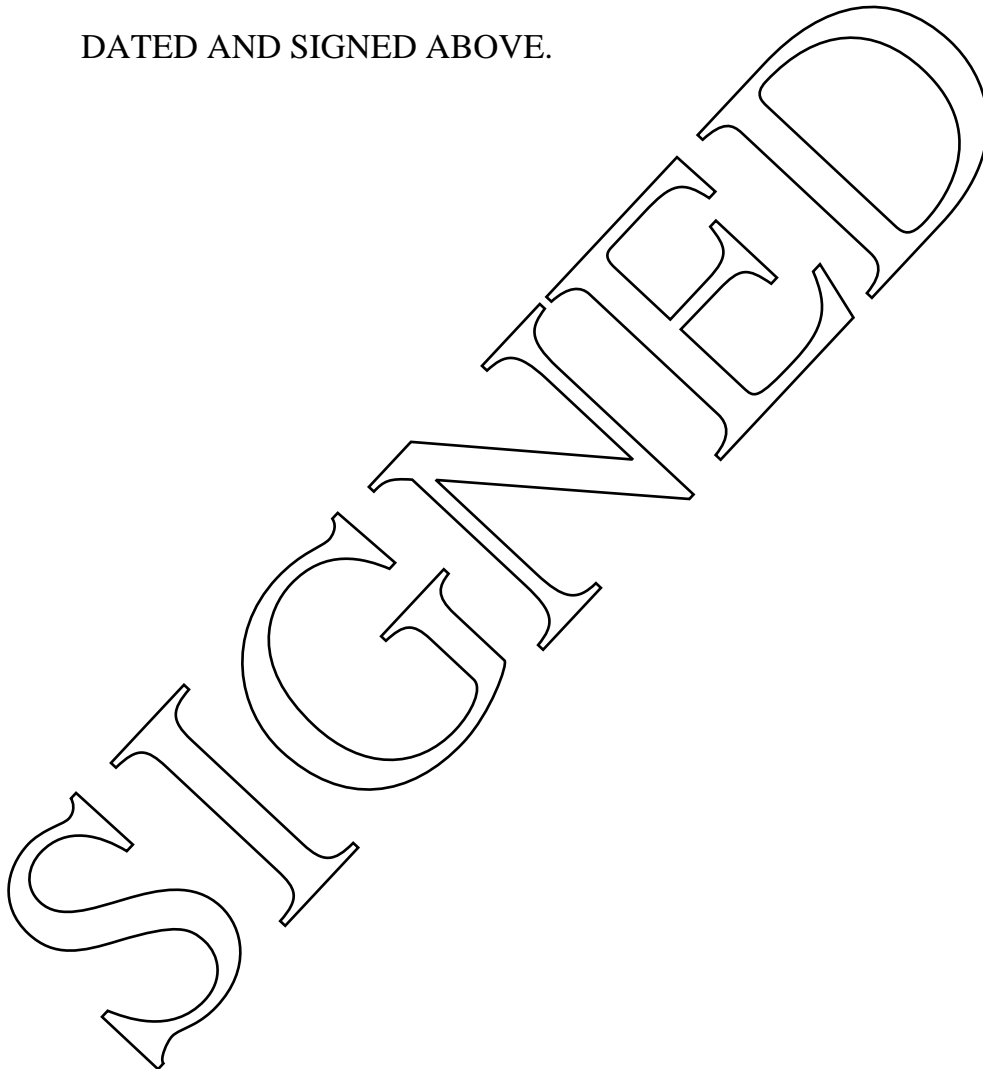
1 *Ahern v. Central Pac. Freight Lines*, 846 F.2d 47, 48 (9th Cir. 1988) (settlements are "judicially  
2 favored as a matter of sound public policy"); *Jeff D. v. Andrus*, 899 F.2d 753, 759 (9th Cir. 1989)  
3 (enforceability of settlements is favored)

4 In this case, the court finds that the settlement proposed is in the best interests of the  
5 estate, and that all of the Ninth Circuits "*Woodson* factors" have been met. *Woodson*, 839 F.2d at  
6 620.

7 Accordingly, the settlement shall be approved, as an administrative expense, in the  
8 sum of \$30,000. A separate order will be issued. FED. R. BANKR. P. 9021.

9  
10 DATED AND SIGNED ABOVE.

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views in the premises.” *Woodson*, 839 F.2d at 620 (citing *A & C Props.*, 784 F.2d 1377, 1301  
(9th Cir. 1986)).